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C O N F I D E N T I A L LA PAZ 003003

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E.O. 12958: DECL: 11/13/2017

TAGS: ASEC BL ECON PGOV PREL

SUBJECT: WEEK'S FORECAST: SPORADIC CLASHES & STORMY STRIKES

REF: A. LA PAZ 2964

1B. LA PAZ 2830

Classified By: EcoPol Chief Mike Hammer, reasons 1.4 b and d.

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Summary
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11. (C) Despite the strong possibility for clashes between pro-ruling Movement Toward Socialism (MAS) demonstrators and local Sucre opposition protesters, Constituent Assembly President Silvia Lazarte has announced that the entire assembly will reconvene in Sucre on November 14. Most observers, including the police, expect at least sporadic confrontations. Meanwhile, transportation workers (drivers), airport workers, meat retailers and butchers, and used-clothing vendors have called for strikes/protests starting November 12, and continuing over the course of the week. The strikes -- linked to inflation, fuel shortages, and new government regulations that are hampering small businesses)- have the possibility of turning violent. This week's strikes and the situation in Sucre appear to foreshadow more heightened tensions between the MAS and opposition, and the possibility for wider conflict. Both sides look more desperate, and both seem to be distancing themselves from democratic options to resolving their differences. End Summary.

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Cannon Fodder in Place for Sucre
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12. (C) Both pro- and anti-MAS demonstrators claim their activities in Sucre will be peaceful, but if the past is any indication, we can expect at least sporadic outbreaks of violence. Pro-MAS demonstrators have converged on Sucre following Vice President Garcia Linera's November 6 comments in which he discarded the chance for a compromise with the opposition and urged the MAS' base to defend the assembly (ref A). According to the pro-MAS version of the peasant/farmer organization CSUTCB, multiple thousands (up to

4000) of its members will be in Sucre on November 14 to ensure the assembly meets. MAS Deputy Wilber Flores (himself from Chuquisaca) made the most chilling declaration, stating "The Constituent Assembly never has to fail, it will not fail, and for this we have said: If we have to offer lives, we will offer them, to guarantee to and to give security to the delegates."

¶3. (C) Meanwhile, supporters of the Inter-Institutional Committee for Full Capital Status are once again prepared to block the assembly from meeting. A November 8 incident in which pro-Sucre supporters (most alleged to be drunken students) attacked seven MAS delegates as well as the building where the Constituent Assembly holds its plenary sessions does not bode well for the assembly's reconvening without incident. Police commander Jose Galvan has stated that the situation in Sucre is "very serious." He added that there are simply not the necessary police forces in place to ensure security and warned against a repeat of November 8.

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Strikes Galore
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¶4. (SBU) A myriad of strikes/protests have been called for the week of November 12-16, most of which are tied to inflation, the scarcity of important resources (fuel), and new government regulations.

- On November 12, used-clothing vendors in Cochabamba, La Paz, Oruro and Santa Cruz protested government plans to effectively shut-down their industry. Under the June 2007 Supreme Decree 28761 vendors will no longer be able to sell used clothing after February 28, 2008. The vendors are asking the government to extend the deadline for two to three years. Under the decree legal shipments of used clothing have already stopped, and the government is supposed to provide credit to allow vendors to convert to other business ventures. In addition to wanting a longer deadline, the November 12 protesters criticized the government's credit terms (eight percent interest), stating that the rates exceed commercial rates.

- On November 12, the Meat Butchers Union of Santa Cruz stopped selling their beef. The Santa Cruz Association of Meat Retailers joined the butchers on November 13. The death of several hundred thousand cattle due to floods earlier this year has increased wholesale prices substantially. Failing to understand the basic economic principals of supply and demand, (i.e. rather than raise their own prices), the two organizations have "threatened" to strike until wholesale prices return to earlier levels. (Comment: The government for fear of yet higher inflation, may try to cap prices and subsidize the retail segment. If so, it will demonize large ranchers) whom are mostly in the opposition -- for gouging the poor. End Comment).

- November 13, Santa Cruz airport workers (members of AASANA) have opted for a 24-hour strike as of 8:00 PM to pressure the central government to de-freeze its accounts, which the government argues was necessary due to corruption problems within Santa Cruz AASANA. American Airlines flights to Bolivia from Miami have been canceled. (Comment: The military's failed attempt to take over the airport in October has likely emboldened the AASANA workers, (ref B). End Comment).

- On November 14, transportation workers (drivers) from across the country have called for a one-day strike. The drivers want to raise rates claiming it is necessary due to increases in consumer prices (inflation), diesel shortages, as well as poor road conditions. The government has refused their price increases and has waged a media campaign (including TV advertisements) against the drivers, arguing they are being manipulated by opposition figures (primarily Santa Cruz Civic Committee leader Branko Marinkovic). Reports are that truck drivers may block the Bolivia's border crossings to prevent travelers from entering/exiting the

country. Coupled with the AASANA strike, Bolivia may be effectively cut-off from the outside world for close to 24-hours. (Comment: Adherence to the drivers strike will likely be high. In past transportation strikes, people (but especially professional drivers) caught operating a vehicle during the strike were frequently beaten and had their cars damaged or destroyed. End Comment).

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Desperate Times, Desperate Measures
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¶ 15. (C) Comment: Both the MAS and the opposition are starting to look desperate and willing to resort to more drastic measures. The failure of the Constituent Assembly, coupled with rising inflation, have made President Evo Morales and his ruling MAS increasingly lash out at the opposition and the USG. Even so called "moderate voices" like Vice President Alvaro Garcia Linera have upped their rhetoric. The opposition also finds itself in a precarious position. Despite the government's obvious shortcomings and mismanagement, opposition figures and their parties have failed to see their support grow. Furthermore, no party has yet offered a set of palatable alternatives to the MAS' base.

¶ 16. (C) As both sides become more entrenched the likelihood of clashes increases. The MAS seems content to use its "campesino" and "cocalero" base as its shock troops, the opposition (whether in Sucre, Santa Cruz or Tarija) appears comfortable using students and other young men to do its dirty work. A November 9 clash in which university students in Tarija attacked a group of MAS militants over the government's plan to reduce hydrocarbons payments to the prefectures foreshadows future violence.

¶ 17. (C) Given that tensions between the MAS and opposition are rising, and that the Embassy and USG are increasingly becoming the rhetorical targets for President Morales' attacks and his supporters' protests, Post convened the EAC on November 13 (septel). End Comment.

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